

CITY OF ST. MARYS, GEORGIA

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

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CITY OF ST. MARYS, GEORGIA

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FINANCIAL SECTION

CITY OF ST. MARYS, GEORGIA

STATEMENT OF NET ASSETS JUNE 30, 2009

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
Cash and cash equivalents	\$ 4,602,781	\$ 5,242,551	\$ 9,845,332	\$ 9,012
Investments	345,896	721,350	1,067,246	77,841
Taxes receivable	395,537	-	395,537	-
Accounts receivable, net of allowances	-	523,362	523,362	-
Accrued interest receivable	-	-	-	485
Prepaid expenses	91,203	82,761	173,964	-
Other receivables	21,022	-	21,022	-
Due from other governments	531,506	-	531,506	-
Internal balances	110,882	(110,882)	-	-
Other current assets	-	8,617	8,617	-
Restricted assets, cash and investments	-	17,286,018	17,286,018	-
Deferred charges, unamortized balance	-	933,048	933,048	-
Capital assets:				
Non-depreciable	1,073,356	33,616,858	34,690,214	332,234
Depreciable, net of accumulated depreciation	14,383,744	35,442,252	49,825,996	-
Total assets	21,555,927	93,745,935	115,301,862	419,572
LIABILITIES				
Accounts payable	482,198	407,455	889,653	-
Contracts payable	-	1,056,524	1,056,524	-
Retainage payable	-	1,182,264	1,182,264	-
Accrued liabilities	190,304	231,860	422,164	-
Customer deposits	-	510,235	510,235	-
Compensated absences due within one year	407,810	-	407,810	-
Capital leases due within one year	44,595	-	44,595	-
Capital leases due in more than one year	52,962	-	52,962	-
Notes payable due within one year	422,630	583,779	1,006,409	-
Notes payable due in more than one year	576,235	6,657,264	7,233,499	-
Bonds payable due within one year	-	240,000	240,000	-
Bonds payable due in more than one year	-	44,785,000	44,785,000	-
Total liabilities	2,176,734	55,654,381	57,831,115	-
NET ASSETS				
Investment in capital assets, net of related debt	16,613,936	26,744,210	43,358,146	332,234
Restricted for debt service	-	3,325,062	3,325,062	-
Restricted for renewal and extension	-	416,205	416,205	-
Unrestricted	2,765,257	7,606,077	10,371,334	87,338
Total net assets	\$ 19,379,193	\$ 38,091,554	\$ 57,470,747	\$ 419,572

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for	Operating	Capital
		Services	Grants and	Grants and
			Contributions	Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,652,603	\$ 1,585,497	\$ 73,105	\$ -
Public safety	4,468,636	326,744	-	-
Public works	2,466,841	40,754	-	-
Health and welfare	134,682	-	-	-
Judicial	191,884	-	-	-
Culture and recreation	595,489	63,694	-	-
Housing and development	592,903	-	-	-
Interest on long-term debt	58,557	-	-	-
Total governmental activities	<u>10,161,595</u>	<u>2,016,689</u>	<u>73,105</u>	<u>-</u>
Business-type activities:				
Water & sewer	5,419,176	4,325,530	-	4,808,077
Solid waste	1,202,957	1,059,553	-	-
Aquatic center	482,360	324,209	-	-
Total business-type activities	<u>7,104,493</u>	<u>5,709,292</u>	<u>-</u>	<u>4,808,077</u>
Total primary government	<u>\$ 17,266,088</u>	<u>\$ 7,725,981</u>	<u>\$ 73,105</u>	<u>\$ 4,808,077</u>
Component Unit: Industrial Development Authority	<u>\$ 37,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

- Property taxes
- Franchise taxes
- Sales taxes
- Hotel/motel taxes
- Other taxes
- Unrestricted investment earnings
- Gain on sale of capital assets
- Miscellaneous

Transfers

- Total general revenues and transfers
- Change in net assets

Net assets, beginning of year

Net assets, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Assets			
Governmental Activities	Business-type Activities	Total	Component Unit
			Industrial Development Authority
\$ 5,999	\$ -	\$ 5,999	\$ -
(4,141,892)	-	(4,141,892)	-
(2,426,087)	-	(2,426,087)	-
(134,682)	-	(134,682)	-
(191,884)	-	(191,884)	-
(531,795)	-	(531,795)	-
(592,903)	-	(592,903)	-
(58,557)	-	(58,557)	-
(8,071,801)	-	(8,071,801)	-
-	3,714,431	3,714,431	-
-	(143,404)	(143,404)	-
-	(158,151)	(158,151)	-
-	3,412,876	3,412,876	-
(8,071,801)	3,412,876	(4,658,925)	-
-	-	-	(37,500)
3,899,788	-	3,899,788	-
814,810	-	814,810	-
6,012,916	-	6,012,916	-
110,980	-	110,980	-
1,014,643	-	1,014,643	-
68,953	286,457	355,410	3,145
8,719	-	8,719	-
-	13,881	13,881	-
(4,660,253)	4,660,253	-	-
7,270,556	4,960,591	12,231,147	3,145
(801,245)	8,373,467	7,572,222	(34,355)
20,180,438	29,718,087	49,898,525	453,927
\$ 19,379,193	\$ 38,091,554	\$ 57,470,747	\$ 419,572

CITY OF ST. MARYS, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2009

ASSETS	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 4,085,577	\$ 44,483	\$ 472,721	\$ 4,602,781
Investments	345,896	-	-	345,896
Taxes receivable	395,537	-	-	395,537
Accounts receivable	6,137	-	14,885	21,022
Prepaid items	63,679	-	27,524	91,203
Due from other governments	254,569	276,937	-	531,506
Due from other funds	261,497	-	23,540	285,037
Total assets	<u>\$ 5,412,892</u>	<u>\$ 321,420</u>	<u>\$ 538,670</u>	<u>\$ 6,272,982</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 277,270	\$ 198,897	\$ 6,031	\$ 482,198
Accrued liabilities	188,427	-	1,456	189,883
Deferred revenues	428,266	-	-	428,266
Due to other funds	35,134	139,021	-	174,155
Total liabilities	<u>929,097</u>	<u>337,918</u>	<u>7,487</u>	<u>1,274,502</u>
FUND BALANCES (DEFICIT)				
Fund balances:				
Unreserved (deficit), reported in:				
General fund	4,483,795	-	-	4,483,795
Special revenue funds	-	-	419,264	419,264
Capital projects fund	-	(16,498)	111,919	95,421
Total fund balances (deficits)	<u>4,483,795</u>	<u>(16,498)</u>	<u>531,183</u>	<u>4,998,480</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,412,892</u>	<u>\$ 321,420</u>	<u>\$ 538,670</u>	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				15,457,100
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				428,266
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				<u>(1,504,653)</u>
Net assets of governmental activities				<u>\$ 19,379,193</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	General Fund	SPLOST Fund	Other Governmental Funds	Totals Governmental Funds
Revenues				
Taxes	\$ 7,354,768	\$ 4,071,293	\$ 110,980	\$ 11,537,041
Licenses and permits	463,372	-	-	463,372
Intergovernmental	-	-	73,105	73,105
Fines and forfeitures	326,744	-	-	326,744
Charges for services	96,982	-	-	96,982
Interest income	62,009	960	5,984	68,953
Other revenues	1,107,515	-	22,076	1,129,591
Total revenues	<u>9,411,390</u>	<u>4,072,253</u>	<u>212,145</u>	<u>13,695,788</u>
Expenditures				
Current:				
General government	2,014,749	-	-	2,014,749
Public safety	3,909,354	-	86,810	3,996,164
Public works	2,124,581	-	-	2,124,581
Health and welfare	100,270	-	-	100,270
Judicial	191,884	-	-	191,884
Culture and recreation	419,541	-	212,555	632,096
Housing and development	569,252	-	-	569,252
Capital outlay	-	1,429,920	-	1,429,920
Debt service:				
Principal	778,708	-	-	778,708
Interest and fiscal charges	63,143	-	-	63,143
Total expenditures	<u>10,171,482</u>	<u>1,429,920</u>	<u>299,365</u>	<u>11,900,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(760,092)</u>	<u>2,642,333</u>	<u>(87,220)</u>	<u>1,795,021</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	74,969	-	-	74,969
Issuance of notes payable	128,000	-	-	128,000
Transfers in	98,359	-	159,605	257,964
Transfers out	(52,402)	(2,645,093)	(227,964)	(2,925,459)
Total other financing sources (uses)	<u>248,926</u>	<u>(2,645,093)</u>	<u>(68,359)</u>	<u>(2,464,526)</u>
Net change in fund balances	(511,166)	(2,760)	(155,579)	(669,505)
Fund balances (deficits), beginning of year	<u>4,994,961</u>	<u>(13,738)</u>	<u>686,762</u>	<u>5,667,985</u>
Fund balances (deficits), end of year	<u>\$ 4,483,795</u>	<u>\$ (16,498)</u>	<u>\$ 531,183</u>	<u>\$ 4,998,480</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (669,505)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	917,805
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, is to decrease net assets	(2,059,008)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	316,096
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	650,708
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>42,659</u>
	<u>\$ (801,245)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 8,114,685	\$ 8,424,082	\$ 7,354,768	\$ (1,069,314)
Licenses and permits	683,700	683,700	463,372	(220,328)
Fines and forfeitures	537,000	537,000	326,744	(210,256)
Interest	90,000	90,000	62,009	(27,991)
Charges for services	103,000	103,000	96,982	(6,018)
Miscellaneous	955,700	910,304	1,107,515	197,211
Total revenues	10,484,085	10,748,086	9,411,390	(1,336,696)
Expenditures				
Current:				
General government:				
Legislative	330,164	216,573	199,717	16,856
Executive	380,190	298,436	271,140	27,296
Legal	168,700	145,960	123,823	22,137
Finance	1,436,167	1,304,222	925,941	378,281
Building and plant	372,190	311,118	206,990	104,128
Human resources	147,529	126,048	123,951	2,097
Information technology	218,722	163,204	163,187	17
Total general government	3,053,662	2,565,561	2,014,749	550,812
Public safety:				
Fire	1,809,081	1,549,238	1,410,780	138,458
Police	3,386,691	2,692,078	2,498,574	193,504
Total public safety	5,195,772	4,241,316	3,909,354	331,962
Public works:				
Public works administration	2,340,875	1,926,791	1,854,053	72,738
Highways and streets administration	340,000	275,000	267,731	7,269
Cemetery	15,300	15,300	2,797	12,503
Total public works	2,696,175	2,217,091	2,124,581	92,510
Judicial:				
Municipal court	305,993	290,026	191,884	98,142
Total judicial	305,993	290,026	191,884	98,142
Health and welfare:				
Senior citizens center	124,900	112,429	100,270	12,159
Total health and welfare	124,900	112,429	100,270	12,159
Culture and recreation:				
Parks administration	99,100	122,320	99,416	22,904
Library administration	360,822	324,827	320,125	4,702
Total culture and recreation	459,922	447,147	419,541	27,606
Housing and development:				
Protective inspection administration	324,650	255,423	233,649	21,774
Planning and zoning	210,478	198,248	143,989	54,259
Airport	12,000	51,875	32,929	18,946
Special facilities	58,416	58,406	34,001	24,405
Economic development	136,875	146,629	124,684	21,945
Total housing and development	742,419	710,581	569,252	141,329

(Continued)

CITY OF ST. MARYS, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (continued):				
Debt service:				
Principal	\$ 811,869	\$ 759,342	\$ 778,708	\$ (19,366)
Interest	69,701	62,796	63,143	(347)
Total debt service	881,570	822,138	841,851	(19,713)
Total expenditures	13,460,413	11,406,289	10,171,482	1,234,807
Deficiency of revenues under expenditures	(2,976,328)	(658,203)	(760,092)	(101,889)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	74,969	74,969
Issuance of notes payable	687,000	430,000	128,000	(302,000)
Transfers in	-	68,875	98,359	29,484
Transfers out	(22,672)	(22,672)	(52,402)	(29,730)
Total other financing sources (uses)	664,328	476,203	248,926	(227,277)
Net change in fund balances	(2,312,000)	(182,000)	(511,166)	(329,166)
Fund balances, beginning of year	4,994,961	4,994,961	4,994,961	-
Fund balances, end of year	\$ 2,682,961	\$ 4,812,961	\$ 4,483,795	\$ (329,166)

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009**

ASSETS	Business-type Activities - Enterprise Funds			
	Water & Sewer Fund	Solid Waste Fund	Aquatic Center Fund	Totals
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,687,221	\$ 436,715	\$ 118,615	\$ 5,242,551
Investments	721,350	-	-	721,350
Restricted cash and cash equivalents	703,798	-	-	703,798
Restricted investments	334,329	-	-	334,329
Accounts receivable, net	421,774	101,588	-	523,362
Accrued interest receivable	8,617	-	-	8,617
Prepaid expenses	77,894	3,617	1,250	82,761
Due from other funds	2,797	191,328	8,796	202,921
Total current assets	6,957,780	733,248	128,661	7,819,689
NONCURRENT ASSETS				
Restricted cash and cash equivalents	15,836,785	-	-	15,836,785
Restricted investments	411,106	-	-	411,106
Deferred charges, unamortized bond issuance costs	933,048	-	-	933,048
Capital assets				
Non-depreciable	33,616,858	-	-	33,616,858
Depreciable, net of accumulated depreciation	33,433,316	33,667	1,975,269	35,442,252
Total noncurrent assets	84,231,113	33,667	1,975,269	86,240,049
Total assets	91,188,893	766,915	2,103,930	94,059,738
LIABILITIES				
CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS				
Accounts payable	288,710	92,838	25,907	407,455
Contracts payable	1,056,524	-	-	1,056,524
Retainage payable	1,182,264	-	-	1,182,264
Accrued interest payable	117,852	-	-	117,852
Other accrued liabilities	84,208	-	29,800	114,008
Due to other funds	191,328	-	122,475	313,803
Current portion of notes payable	583,779	-	-	583,779
Current portion of bonds payable	240,000	-	-	240,000
Total current liabilities, payable from current assets	3,744,665	92,838	178,182	4,015,685
CURRENT LIABILITIES, PAYABLE FROM RESTRICTED ASSETS				
Customer deposits	510,235	-	-	510,235
Total current liabilities, payable from restricted assets	510,235	-	-	510,235
LONG-TERM LIABILITIES				
Revenue bonds payable, net	44,785,000	-	-	44,785,000
Notes payable	6,657,264	-	-	6,657,264
Total liabilities	55,697,164	92,838	178,182	55,968,184
NET ASSETS				
Invested in capital assets, net of related debt	24,735,274	33,667	1,975,269	26,744,210
Restricted for debt service	3,325,062	-	-	3,325,062
Restricted for renewal and extension	416,205	-	-	416,205
Unrestricted	7,015,188	640,410	(49,521)	7,606,077
Total net assets	\$ 35,491,729	\$ 674,077	\$ 1,925,748	\$ 38,091,554

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds			
	Water & Sewer Fund	Solid Waste Fund	Aquatic Center Fund	Totals
OPERATING REVENUE				
Sanitation fees	\$ -	\$ 965,288	\$ -	\$ 965,288
Admission fees	-	-	184,659	184,659
Concessions	-	-	70,586	70,586
Water sales	2,022,200	-	-	2,022,200
Sewer sales	1,880,602	-	-	1,880,602
Reconnection fees	74,752	-	-	74,752
Construction fees	227,741	-	-	227,741
Penalties	93,869	-	-	93,869
Miscellaneous	26,366	94,265	68,964	189,595
Total operating revenues	4,325,530	1,059,553	324,209	5,709,292
OPERATING EXPENSES				
Personal services	1,566,788	60,483	241,777	1,869,048
Purchased and contracted services	661,946	1,118,384	44,607	1,824,937
Supplies	1,048,918	446	112,237	1,161,601
Depreciation	1,378,925	23,644	83,739	1,486,308
Bad debt expense	35,088	-	-	35,088
Total operating expenses	4,691,665	1,202,957	482,360	6,376,982
Operating income (loss)	(366,135)	(143,404)	(158,151)	(667,690)
NONOPERATING REVENUES (EXPENSES)				
Interest income	283,495	2,829	133	286,457
Interest expense	(727,511)	-	-	(727,511)
Other nonoperating income	11,525	-	2,356	13,881
Total nonoperating revenues (expenses)	(432,491)	2,829	2,489	(427,173)
Income (loss) before transfers and contributions	(798,626)	(140,575)	(155,662)	(1,094,863)
CAPITAL CONTRIBUTIONS	4,808,077	-	2,059,008	6,867,085
TRANSFERS				
Transfers out	-	(66,250)	-	(66,250)
Transfers in	2,645,093	-	22,402	2,667,495
Total transfers	2,645,093	(66,250)	22,402	2,601,245
Change in net assets	6,654,544	(206,825)	1,925,748	8,373,467
Total net assets, beginning of year	28,837,185	880,902	-	29,718,087
Total net assets, end of year	\$ 35,491,729	\$ 674,077	\$ 1,925,748	\$ 38,091,554

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds			
	Water & Sewer Fund	Solid Waste Fund	Aquatic Center Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,299,734	\$ 1,042,299	\$ 324,209	\$ 5,666,242
Payments to suppliers	(634,242)	(1,236,875)	(18,508)	(1,889,625)
Payments to employees	(1,550,457)	(60,483)	(211,977)	(1,822,917)
Net cash provided by (used in) operating activities	2,115,035	(255,059)	93,724	1,953,700
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	2,645,093	-	22,402	2,667,495
Other nonoperating income	11,525	-	2,489	14,014
Net cash provided by (used in) noncapital financing activities	2,656,618	-	24,891	2,681,509
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on revenue bonds payable	(1,850,000)	-	-	(1,850,000)
Principal payments on notes payable	(584,734)	-	-	(584,734)
Interest paid	(587,781)	-	-	(587,781)
Capital contributions	484,025	-	-	484,025
Purchase of capital assets	(14,669,758)	-	-	(14,669,758)
Net cash provided by (used in) capital and related financing activities	(17,208,248)	-	-	(17,208,248)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(23,307)	-	-	(23,307)
Interest received	329,895	2,829	-	332,724
Net cash provided by investing activities	306,588	2,829	-	309,417
Net increase (decrease) in cash	(12,130,007)	(252,230)	118,615	(12,263,622)
Cash and cash equivalents, beginning of year	33,357,811	688,945	-	34,046,756
Cash and cash equivalents, end of year	<u>\$ 21,227,804</u>	<u>\$ 436,715</u>	<u>\$ 118,615</u>	<u>\$ 21,783,134</u>
Classified as:				
Cash and cash equivalents	\$ 4,687,221	\$ 436,715	\$ 118,615	\$ 5,242,551
Restricted assets:				
Cash and cash equivalents	16,540,583	-	-	16,540,583
	<u>\$ 21,227,804</u>	<u>\$ 436,715</u>	<u>\$ 118,615</u>	<u>\$ 21,783,134</u>
Noncash investing, capital, and financing activities:				
Transfer of capital assets to other funds	\$ -	\$ (66,250)	\$ -	\$ (66,250)
Transfer of capital assets from other funds	-	-	2,059,008	2,059,008
Total noncash investing, capital and financing activities	<u>\$ -</u>	<u>\$ (66,250)</u>	<u>\$ 2,059,008</u>	<u>\$ 1,992,758</u>

(Continued)

CITY OF ST. MARYS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds			
	Water & Sewer Fund	Solid Waste Fund	Aquatic Center Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating loss	\$ (366,135)	\$ (143,404)	(158,151)	\$ (667,690)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	1,378,925	23,644	83,739	1,486,308
Change in assets and liabilities:				
Increase in accounts receivable	(19,665)	(17,254)	-	(36,919)
(Increase) decrease in prepaid expenses	69,935	8,874	(1,250)	77,559
(Increase) decrease in due from other funds	9,018	(123,661)	(8,796)	(123,439)
Increase in accounts payable	216,306	6,476	25,907	248,689
Decrease in contracts payable	(386,824)	-	-	(386,824)
Increase in retainages payable	1,078,264	-	-	1,078,264
Increase in accrued liabilities	16,331	-	29,800	46,131
Decrease in customer deposits	(6,131)	-	-	(6,131)
Increase (decrease) in due to other funds	125,011	(9,734)	122,475	237,752
Net cash provided by (used in) operating activities	<u>\$ 2,115,035</u>	<u>\$ (255,059)</u>	<u>\$ 93,724</u>	<u>\$ 1,953,700</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ST. MARYS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of St. Marys, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated August 15, 1910, under the provisions of the laws of the State of Georgia. A new City charter was adopted February 8, 1981. The City operates under a Council/City Manager form of government and provides the following services to its citizens: public safety, public works, recreation, public improvements, and general and administrative services.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of St. Marys, Georgia (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Unit. The St. Marys Convention & Visitors Bureau (the "Bureau") is reported as a blended component unit in the City's financial statements because the City maintains financial accountability over the Bureau and the Bureau almost exclusively benefits the City. The St. Marys Convention & Visitors Bureau is reported as a special revenue fund. Separate financial statements are not prepared for the Bureau.

Discretely Presented Component Unit. The Industrial Development Authority of St. Marys (the "Authority") is governed by a seven member board, the majority of which are appointed by St. Marys' City Council. The City is able to significantly influence the programs, projects and activities of the Authority. The Authority is presented as a governmental fund-type component unit. Separate financial statements are not prepared for the Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities and business-type activities.

Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. The statement of net assets includes non-current assets which were previously reported in the General Fixed Assets Account Group and non-current liabilities previously reported in the General Long-Term Debt Account Group. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures relating to the 2009 1% Special Purpose Local Option Sales Tax and the 2002 1% Special Purpose Local Option Sales Tax.

The City reports the following major proprietary funds:

The **Water & Sewer Fund** accounts for the activities necessary to provide water and sewer services to the City's residents.

The **Solid Waste Fund** accounts for the fees and expenses associated with garbage collection and disposal services provided to the City's residents.

The **Aquatic Center Fund** accounts for the fees and expenses associated with an aquatic park provided to the public.

Additionally, the City reports the following fund type:

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets of governmental funds are adopted on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. State statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. Investments are reported at fair value as determined by quoted market prices.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on both the government-wide and proprietary fund financial statements because their use is limited by applicable bond covenants.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid items in both government-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB 34, the City has elected not to include infrastructure acquired prior to July 1, 2003.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current fiscal year was \$1,669,979. Of this amount, \$1,465,862 was included as part of the capital assets under construction in connection with the wastewater treatment plant construction project.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Infrastructure	30
Improvements	5-50
Machinery and equipment	3-10

J. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused personal leave. All personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,504,653 difference are as follows:

Accrued interest payable	\$ 421
Capital leases payable	97,557
Notes payable	998,865
Compensated absences	<u>407,810</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 1,504,653</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$984,055 difference are as follows:

Capital outlay	\$ 2,256,231
Depreciation expense	<u>(1,338,426)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 917,805</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets." The details of this \$2,059,008 difference are as follows:

Transfers of capital assets to other funds decrease net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ (2,059,008)
Transfers of capital assets from other funds increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	66,250
In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	<u>(66,250)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ (2,059,008)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this \$650,708 difference are as follows:

Issuance of notes payable	\$ (128,000)
Principal retirement of long-term debt	<u>778,708</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 650,708</u>

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$42,659 difference are as follows:

Compensated absences	\$ 38,073
Accrued interest	<u>4,586</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 42,659</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City of St. Marys, Georgia employs the following procedures in establishing its annual budget:

1. Prior to June 1, the Budget Committee/City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Council, the Council holds a public hearing on the budget, giving notice in the official newspaper of the City, at least 10 days prior to such hearing.
3. The budget is then revised and adopted or amended by the Council at a regular meeting in June.
4. This budget may be revised during the year only by formal action of the Council in a regular or special called meeting. No increase to the budget may be made without a provision for financing such an increase.
5. Budgetary control is exercised at the department, function or activity, and major object of expenditures group for capital and grant projects within each fund. The legal level of budgetary control is the department level. Budgets for the City may be increased or decreased as the City Council deems appropriate. Budgets are adopted for all governmental and proprietary fund types. The supplementary budgetary appropriations made during the year were not material.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the City to invest in the following (1) obligations of Georgia or any other state; (2) obligations of the United States; obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) obligations of any other political subdivision of the State of Georgia local government investment pool; (7) repurchase agreements; and (8) the State of Georgia local government investment pool.

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on a \$1.00 per share. The fair value of the City's position in the pool is the same as the value of pool shares (\$1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia. As of June 30, 2009, the City's investment in Georgia Fund 1 was rated AAAM by Standard & Poor's.

As of June 30, 2009, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1	41 day weighted average	\$ 1,478,352
Certificates of deposit	6 months - 18 months	334,329
		<u>\$ 1,812,681</u>

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits all operating investments to instruments that mature within one year. Asset investment funds shall be diversified to eliminate risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer or a specific class of maturities.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2009, the City's deposits were fully collateralized in compliance with the state requirements.

NOTE 5. RECEIVABLES

Property taxes are levied by the City based on the assessed value of property as of January 1. Property taxes attach as an enforceable lien on property as of January 31, 2009. Taxes were levied on October 24, 2008 and payable on or before December 30, 2008. Property taxes not collected by December 30th are considered and reported as delinquent taxes receivable. Property taxes levied for the year ending June 30, 2009, are recorded as receivables, net of estimated uncollectibles.

In the governmental funds, the net receivables collected during the year ended June 30, 2009, and expected to be collected by August 31, 2009, are recognized as revenues for the year ended June 30, 2009, whereas, net receivables estimated to be collectible subsequent to August 31, 2009, are recorded as revenue when received.

Receivables at June 30, 2009, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST	Water and Sewer	Solid Waste	Nonmajor Funds
Receivables:					
Taxes	\$ 451,579	\$ -	\$ -	\$ -	\$ -
Accounts	6,137	-	702,989	106,935	14,885
Due from other governments	254,569	276,937	-	-	-
Less allowance for uncollectibles	(56,042)	-	(281,215)	(5,347)	-
Net total receivable	<u>\$ 656,243</u>	<u>\$ 276,937</u>	<u>\$ 421,774</u>	<u>\$ 101,588</u>	<u>\$ 14,885</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 481,333	\$ -	\$ -	\$ -	\$ 481,333
Construction in progress	1,061,359	356,241	-	(825,577)	592,023
Total	<u>1,542,692</u>	<u>356,241</u>	<u>-</u>	<u>(825,577)</u>	<u>1,073,356</u>
Capital assets, being depreciated:					
Infrastructure	2,076,791	1,250,740	-	286,302	3,613,833
Buildings	7,451,302	81,422	-	(2,500,172)	5,032,552
Improvements	8,685,632	373,723	-	526,775	9,586,130
Machinery and equipment	9,096,431	194,105	(268,720)	132,500	9,154,316
Total	<u>27,310,156</u>	<u>1,899,990</u>	<u>(268,720)</u>	<u>(1,554,595)</u>	<u>27,386,831</u>
Less accumulated depreciation for:					
Infrastructure	(201,806)	(89,192)	-	1,458	(289,540)
Buildings	(2,218,723)	(165,038)	-	452,206	(1,931,555)
Improvements	(3,311,271)	(315,650)	-	-	(3,626,921)
Machinery and equipment	(6,522,745)	(768,546)	202,470	(66,250)	(7,155,071)
Total	<u>(12,254,545)</u>	<u>(1,338,426)</u>	<u>202,470</u>	<u>387,414</u>	<u>(13,003,087)</u>
Total capital assets, being depreciated, net	<u>15,055,611</u>	<u>561,564</u>	<u>(66,250)</u>	<u>(1,992,758)</u>	<u>14,383,744</u>
Governmental activities capital assets, net	<u>\$ 16,598,303</u>	<u>\$ 917,805</u>	<u>\$ (66,250)</u>	<u>\$ (1,992,758)</u>	<u>\$ 15,457,100</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 846,727	\$ -	\$ -	\$ -	\$ 846,727
Construction in progress	18,165,383	14,604,748	-	-	32,770,131
Total	<u>19,012,110</u>	<u>14,604,748</u>	<u>-</u>	<u>-</u>	<u>33,616,858</u>
Capital assets, being depreciated:					
Buildings	5,592,863	-	-	2,500,172	8,093,035
Infrastructure	37,245,142	4,333,151	-	12,500	41,590,793
Machinery and equipment	4,305,449	55,911	(37,240)	(132,500)	4,191,620
Total	<u>47,143,454</u>	<u>4,389,062</u>	<u>(37,240)</u>	<u>2,380,172</u>	<u>53,875,448</u>
Less accumulated depreciation for:					
Buildings	(2,381,457)	(193,889)	-	(452,206)	(3,027,552)
Infrastructure	(11,082,056)	(962,015)	-	(1,458)	(12,045,529)
Machinery and equipment	(3,133,201)	(330,404)	37,240	66,250	(3,360,115)
Total	<u>(16,596,714)</u>	<u>(1,486,308)</u>	<u>37,240</u>	<u>(387,414)</u>	<u>(18,433,196)</u>
Total capital assets, being depreciated, net	<u>30,546,740</u>	<u>2,902,754</u>	<u>-</u>	<u>1,992,758</u>	<u>35,442,252</u>
Business-type activities capital assets, net	<u>\$ 49,558,850</u>	<u>\$ 17,507,502</u>	<u>\$ -</u>	<u>\$ 1,992,758</u>	<u>\$ 69,059,110</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 385,072
Public safety	608,936
Public works	259,720
Culture and recreation	4,250
Health and welfare	34,412
Housing and development	46,036

Total depreciation expense - governmental activities	<u>\$ 1,338,426</u>
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Business-type activities:

Water and sewer	\$ 1,378,925
Sanitation	23,644
Aquatic center	83,739

Total depreciation expense - business-type activities	<u>\$ 1,486,308</u>
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Component Unit: The Industrial Development Authority maintains a parcel of land with a historical cost of \$332,234.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES

Revenue Bonds:

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's Water and Sewer Fund's revenue bonds outstanding at June 30, 2009, are as follows:

Series 1992 \$5,595,000 Water Revenue Bonds, due in annual installments of \$80,000 to \$410,000 through July 1, 2018, plus interest of 3.0% to 6.125%.	\$ 3,180,000
Series 2007 \$43,695,000 Water Revenue Bonds, due in annual installments of \$900,000 to \$2,730,000 through December 1, 2032, plus interest at 1.55% to 3.765%.	<u>41,845,000</u>
	<u><u>\$ 45,025,000</u></u>

Revenue bond debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2010	\$ 240,000	\$ 843,385	\$ 1,083,385
2011	1,255,000	813,114	2,068,114
2012	1,455,000	780,102	2,235,102
2013	1,520,000	744,350	2,264,350
2014	1,585,000	706,904	2,291,904
2015-2019	9,070,000	2,899,794	11,969,794
2020-2024	8,835,000	1,985,745	10,820,745
2025-2029	10,770,000	1,228,608	11,998,608
2030-2033	10,295,000	327,012	10,622,012
Total	<u><u>\$ 45,025,000</u></u>	<u><u>\$ 10,329,014</u></u>	<u><u>\$ 55,354,014</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Notes Payable:

The City has incurred debt to the Georgia Environmental Facilities Authority for construction of various water and sewer system projects and various improvements to the water and sewer system. Additionally, the City has incurred debt to a local financial institution for the purchase of vehicles and equipment used in the water and sewer and solid waste operations. These notes are as follows at June 30, 2009:

<u>Interest Rate</u>	<u>Term</u>	<u>Fiscal Year Due Date</u>	<u>Amount</u>
2.00%	10 years	2012	\$ 151,747
5.60%	15 years	2013	53,270
4.76%	20 years	2020	314,392
4.55%	20 years	2021	2,299,801
3.00%	20 years	2025	4,111,990
4.05%	5 years	2012	309,843
			<u>\$ 7,241,043</u>

The City has also entered into other notes payable agreements originally totaling \$3,735,966 with interest rates ranging from 3.98% to 4.41% for financing certain equipment and the renovation and improvement of the City's facilities. The principal of these loans is to be repaid in monthly or quarterly payments with maturities ranging from October 2010 to October 2011.

The City's notes payable debt service requirements to maturity are as follows:

Fiscal year ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 422,630	\$ 29,273	\$ 583,779	\$ 250,997
2011	435,955	14,886	616,902	229,900
2012	128,573	1,741	510,985	208,448
2013	11,707	88	432,017	190,898
2014	-	-	446,459	174,891
2015-2019	-	-	2,500,505	606,245
2020-2024	-	-	2,011,237	163,130
2025	-	-	139,159	1,056
Total	<u>\$ 998,865</u>	<u>\$ 45,988</u>	<u>\$ 7,241,043</u>	<u>\$ 1,825,565</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Capital Leases:

The City has entered into lease agreements as lessee for financing the acquisition of machinery and equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. Interest rates range from 7.4% to 10.6%. The following is an analysis of leased assets under capital leases as of June 30, 2009:

	Governmental Activities
Machinery and equipment	<u><u>\$ 344,059</u></u>

The City's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities
Fiscal Year Ending June 30,	
2010	\$ 48,184
2011	45,349
2012	<u>9,191</u>
Total minimum lease payments	102,724
Less amount representing interest	<u>5,167</u>
Present value of future minimum lease payments	<u><u>\$ 97,557</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital leases	\$ 145,808	\$ -	\$ (48,251)	\$ 97,557	\$ 44,595
Notes payable	1,601,322	128,000	(730,457)	998,865	422,630
Compensated absences	445,883	411,630	(449,703)	407,810	407,810
Governmental activity					
Long-term liabilities	<u>\$ 2,193,013</u>	<u>\$ 539,630</u>	<u>\$ (1,228,411)</u>	<u>\$ 1,504,232</u>	<u>\$ 875,035</u>
Business-type activities:					
Revenue bonds	\$ 46,875,000	\$ -	\$ (1,850,000)	\$ 45,025,000	\$ 240,000
Notes payable	7,825,777	-	(584,734)	7,241,043	583,779
Business-type activity					
Long-term liabilities	<u>\$ 54,700,777</u>	<u>\$ -</u>	<u>\$ (2,434,734)</u>	<u>\$ 52,266,043</u>	<u>\$ 823,779</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2009 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Aquatic Center Fund	\$ 122,475
Solid Waste Fund	Water & Sewer Fund	191,328
Nonmajor governmental funds	General Fund	23,540
Water & Sewer Fund	General Fund	2,797
General Fund	SPLOST Fund	139,021
Aquatic Center Fund	General Fund	8,796
		<u>\$ 487,957</u>

These balances resulted from time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 98,359
Aquatic Center Fund	General Fund	22,402
Water & Sewer Fund	SPLOST Fund	2,645,093
Nonmajor governmental funds	General Fund	30,000
Nonmajor governmental funds	Nonmajor governmental funds	129,605
		<u>\$ 2,925,459</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounts for in other funds in accordance with budgetary authorizations.

During the year ended June 30, 2009, the City transferred capital assets with a net book value of \$2,059,008 from the General Fund to the Aquatic Center Fund. This transfer is reflected in the governmental activities column and the business-type activities column in the government-wide financial statements. In addition, the City also transferred capital assets with a net book value of \$66,250 from the Solid Waste Fund to the General Fund. This transfer is reflected in the Solid Waste Fund and in the governmental activities column in the government-wide financial statements.

NOTE 9. PENSION PLANS

Plan Description

The City terminated its non-contributory pension plan through the Georgia Municipal Employees Benefit System (GMEBS) in 1996 and established a defined contribution plan. Prior to termination, the City had adopted an agent multiple-employer non-contributory defined benefit pension plan, the City of St. Marys Retirement Plan (the "Plan") through GMEBS covering all employees with a service period of one year or more. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries and is administered by the Georgia Municipal Association. The City has authorized the GMEBS board to establish and amend all plan provisions. Employees were eligible for participation after one year of continuous service and become vested after 10 years of service. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City of St. Marys Retirement Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, 201 Pryor Street, SW, Atlanta, Georgia 30303.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Funding Policy

The funding policy for the City of St. Marys Retirement Plan is to contribute an actuarially determined amount equal to the recommended contribution each year. The City makes all contributions to the City of St. Marys Retirement Plan. The City is required to contribute at an actuarially determined rate; the current rate is 51.27% of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2009, the City's annual pension cost was \$38,861 for the City of St. Marys Retirement Plan. Recommended contributions of \$38,861 were determined as part of the March 1, 2009, actuarial valuation, using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected salary increases for inflation of 5.0% per year and for merit or seniority of .5% per year, and (c) no postretirement benefit increases or cost of living adjustments. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982, and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions, and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. The method for determining the actuarial value of assets is part of GMEBS actuarial funding policy. It produces an adjusted actuarial value of assets.

The smoothing technique gradually incorporates investment performance that exceeds or falls short of the expected return of 8%, which is the valuation's investment return assumption.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Trend Information

Trend information which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below.

Fiscal Year Ending	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
6/30/2007	\$ 7,947	100%	\$ -
6/30/2008	7,887	100%	-
6/30/2009	38,861	100%	-

Actuarial Valuation Date	Actuarial Value of Assets	AAL Actuarial Accrued Liability	Underfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Underfunded AAL as a Percentage of Covered Payroll
3/1/09	\$ 904,201	\$ 1,102,410	\$ 198,209	82.0%	\$ 75,796	262%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The City of St. Marys has established a defined contribution pension plan (the Plan) that is administered by the Variable Annuity Life Insurance Company for all of its full-time employees. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the City Council. At June 30, 2009, there were 132 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to a maximum of \$16,500 for the year ended June 30, 2009. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City contributes an amount equal to 4% of each participant's compensation. Total employer contributions for the year ended June 30, 2009, were \$284,145.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended June 30, 2009, the City paid \$14,764 in such dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from the Coastal Georgia Regional Development Center, P.O. Box 1917, Brunswick, Georgia 31521.

NOTE 12. RELATED ORGANIZATIONS

The City's council is responsible for the appointment of a board member to the Southeast Georgia Consolidated Housing Authority. However, the City has no further accountability for this organization. During the year ended June 30, 2009, the City did not provide any contributions to the Southeast Georgia Consolidated Housing Authority.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member City contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 6%. Expenditures of the tax were used to promote tourism as required by O.C.G.A. 48-13-50. The City spent 100% of the amount collected for the promotion of tourism. A summary of hotel/motel tax transactions for the fiscal year ended June 30, 2009, is as follows:

Balance, July 1, 2008	\$ 16,950
Fiscal year 2009 collections	110,980
Fiscal year 2009 disbursements	<u>(113,599)</u>
Balance, June 30, 2009	<u>\$ 14,331</u>

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Construction Commitments

In addition to the liabilities enumerated in the balance sheet at June 30, 2009, the City has contractual commitments on uncompleted contracts of approximately \$13,994,393.

**CITY OF ST. MARYS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability	Underfund (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Underfund (Overfunded) AAL as a Percentage of Covered Payroll
03/01/07	\$ 1,226,697	\$ 1,148,550	\$ (78,147)	106.8 %	\$ 113,631	-68.8 %
03/01/08	1,212,947	1,086,167	(126,780)	111.7 %	120,609	-105.1 %
03/01/09	904,201	1,102,410	198,209	82.0 %	75,796	261.5 %

The assumptions used in the preparation of the above schedule are disclosed in Note 9 in the Notes to the Financial Statements.

CITY OF ST. MARYS, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Tax Fund – To account for excise taxes on lodgings and accommodations.

Convention & Visitors Bureau – To account for monies received to operate tourism in the City.

Multiple Grants Fund – To account for small grants received from various agencies.

Fire Tax District Fund – To account for proceeds of a special fire district tax levy and expenditures of these proceeds.

Capital Projects Fund

Capital Projects Fund – To account for the construction of sidewalks and paving of streets in the City.

CITY OF ST. MARYS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

ASSETS	Special Revenue			
	Hotel/Motel Tax Fund	Convention & Visitors Bureau	Multiple Grants Fund	Fire Tax District Fund
Cash and cash equivalents	\$ -	\$ 288	\$ 360,514	\$ -
Accounts receivable	14,331	554	-	-
Prepaid items	-	24	27,500	-
Due from other funds	-	5,111	18,429	-
Total assets	<u>\$ 14,331</u>	<u>\$ 5,977</u>	<u>\$ 406,443</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ 6,031	\$ -	\$ -
Accrued liabilities	-	1,456	-	-
Total liabilities	<u>-</u>	<u>7,487</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Unreserved, undesignated	<u>14,331</u>	<u>(1,510)</u>	<u>406,443</u>	<u>-</u>
Total fund balances	<u>14,331</u>	<u>(1,510)</u>	<u>406,443</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 14,331</u>	<u>\$ 5,977</u>	<u>\$ 406,443</u>	<u>\$ -</u>

Capital Projects Fund	Nonmajor Governmental Funds
\$ 111,919	\$ 472,721
-	14,885
	27,524
-	23,540
<u>\$ 111,919</u>	<u>\$ 538,670</u>

\$ -	\$ 6,031
-	1,456
-	7,487

<u>111,919</u>	<u>531,183</u>
<u>111,919</u>	<u>531,183</u>
<u>\$ 111,919</u>	<u>\$ 538,670</u>

CITY OF ST. MARYS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue			
	Hotel/Motel Tax Fund	Convention & Visitors Bureau	Multiple Grants Fund	Fire Tax District Fund
REVENUES				
Taxes	\$ 110,980	\$ -	\$ -	\$ -
Intergovernmental	-	-	73,105	-
Interest	-	188	3,330	1,493
Miscellaneous	-	22,076	-	-
Total revenues	110,980	22,264	76,435	1,493
EXPENDITURES				
Current				
Public safety	-	-	-	86,810
Culture and recreation	-	212,555	-	-
Total expenditures	-	212,555	-	86,810
Excess (deficiency) of revenues over (under) expenditures	110,980	(190,291)	76,435	(85,317)
Other financing sources (uses)				
Transfers in	-	159,605	-	-
Transfers out	(113,599)	-	(114,365)	-
Total other financing sources (uses)	(113,599)	159,605	(114,365)	-
Net change in fund balances	(2,619)	(30,686)	(37,930)	(85,317)
FUND BALANCE, beginning of year	16,950	29,176	444,373	85,317
FUND BALANCE, end of year	\$ 14,331	\$ (1,510)	\$ 406,443	\$ -

Capital Projects Fund	Nonmajor Governmental Funds
\$ -	\$ 110,980
-	73,105
973	5,984
-	22,076
973	212,145
-	86,810
-	212,555
-	299,365
973	(87,220)
-	159,605
-	(227,964)
-	(68,359)
973	(155,579)
110,946	686,762
<u>\$ 111,919</u>	<u>\$ 531,183</u>

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2002 ISSUE FOR THE YEAR ENDED JUNE 30, 2009

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
City Sidewalks/Streets	\$ 3,930,000	\$ 3,930,000	\$ 2,164,363	\$ 856,682	\$ 3,021,045
Drainage	3,500,000	3,500,000	1,580,506	494,294	2,074,800
Downtown Multi-Media Center	300,000	300,000	85,896	-	85,896
City Library Expansion	<u>588,000</u>	<u>588,000</u>	<u>290,599</u>	<u>48,717</u>	<u>339,316</u>
Totals	<u>\$ 8,318,000</u>	<u>\$ 8,318,000</u>	<u>\$ 4,121,364</u>	<u>\$ 1,399,693</u>	<u>\$ 5,521,057</u>

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2009 ISSUE FOR THE YEAR ENDED JUNE 30, 2009

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
City Sidewalks/Streets	\$ 4,730,000	\$ 4,730,000	\$ -	\$ -	\$ -
Drainage	5,530,000	5,530,000	-	-	-
Sewer	5,000,000	5,000,000	-	2,645,697	2,645,697
City Buildings	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>	<u>29,622</u>	<u>29,622</u>
Totals	<u>\$ 18,760,000</u>	<u>\$ 18,760,000</u>	<u>\$ -</u>	<u>\$ 2,675,319</u>	<u>\$ 2,675,319</u>

CITY OF ST. MARYS, GEORGIA
BALANCE SHEET
COMPONENT UNIT - INDUSTRIAL DEVELOPMENT AUTHORITY
JUNE 30, 2009

ASSETS	
Cash and cash equivalents	\$ 9,012
Investments	77,841
Accrued interest receivable	<u>485</u>
Total assets	<u><u>\$ 87,338</u></u>
FUND BALANCE	
Unreserved, undesignated	<u>\$ 87,338</u>
Total fund balance	<u><u>\$ 87,338</u></u>

CITY OF ST. MARYS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - INDUSTRIAL DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES

Interest revenue	\$ <u>3,145</u>
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EXPENDITURES

Current

Housing and development	<u>37,500</u>
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Net change in fund balance	(34,355)
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FUND BALANCE, beginning of year	<u>121,693</u>
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FUND BALANCE, end of year	<u><u>\$ 87,338</u></u>
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